

Maintaining Momentum

September 2008



Georgia Institute
of Technology

Strategies & Approaches

- » Protect the academic core & maintain quality.
- » Maintain momentum in Institute strategic initiatives.
- » Solicit proposals from units for reductions appropriate to their operations and mission.
- » Further efficiency and conservation efforts; position and strengthen Georgia Tech in anticipation of a turn around in the state economy.
- » Seek new revenue



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Georgia Tech Institute Values

Georgia Tech is entrusted by students, parents, taxpayers, sponsors, donors and friends with resources and responsibilities for fulfilling our mission of education, research, public service, and economic development.

- » Honesty in all of our dealings;
- » Respect for ourselves and others;
- » Excellence in all we do;
- » Personal responsibility for all of our actions;
- » Integrity in our teaching, research activities, and stewardship of the resources entrusted to us.



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Growth at Georgia Tech:

Formula Credit Hours Generated FY04 to FY08

	FY04	FY05	FY06	FY07	FY08	change
Architecture	26,515	27,883	28,145	29,597	31,352	18%
Computing	42,783	40,546	37,852	40,577	44,846	5%
Engineering	195,517	197,622	200,724	214,926	220,314	13%
Ivan Allen	73,465	76,080	79,570	82,725	83,686	14%
Management	40,731	39,033	39,568	41,640	44,121	8%
Sciences	125,328	129,400	131,877	147,284	150,796	20%
Institute Total	504,592	512,098	519,659	559,303	577,955	15%

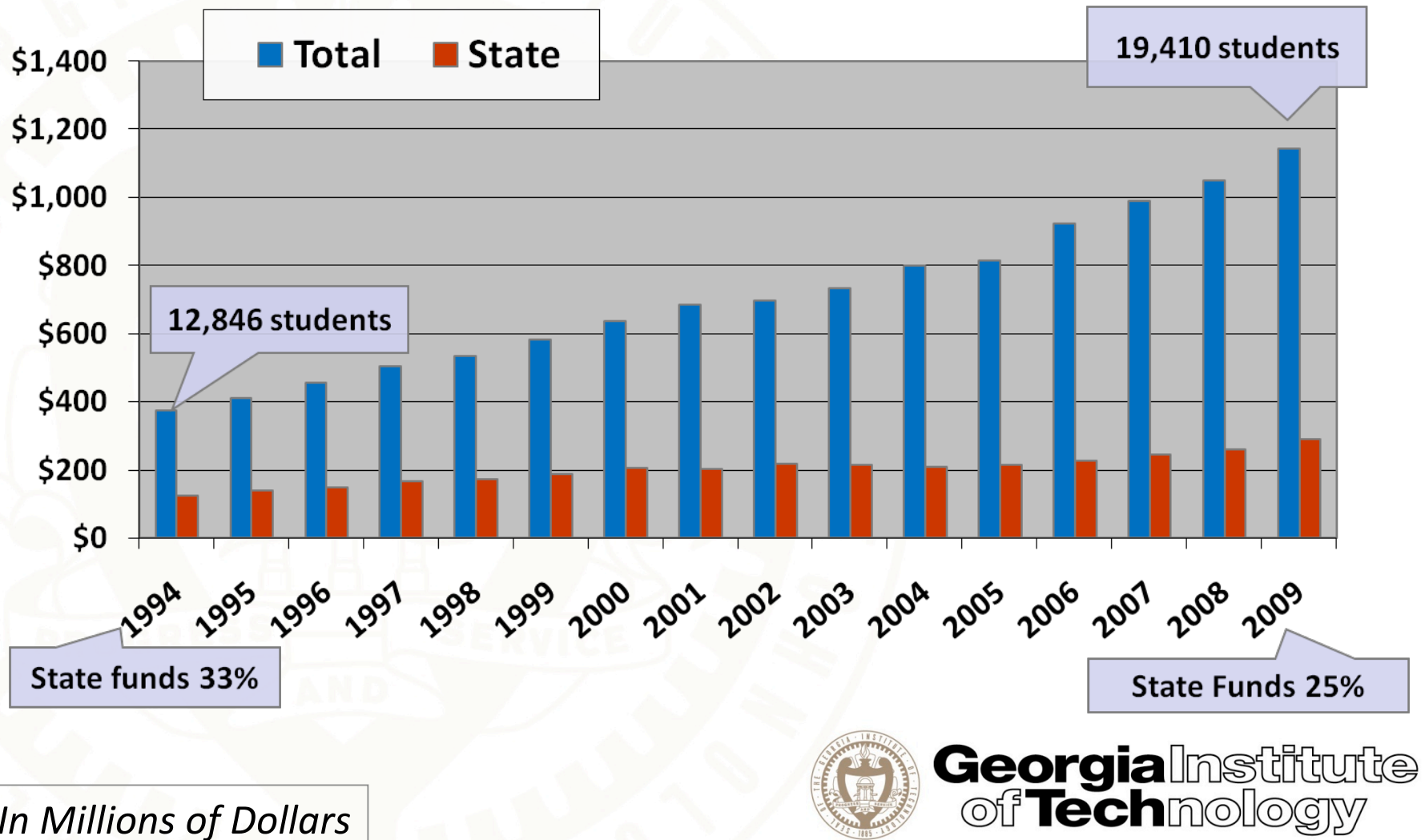
Note: Excludes College of the Registrar (GT1000)



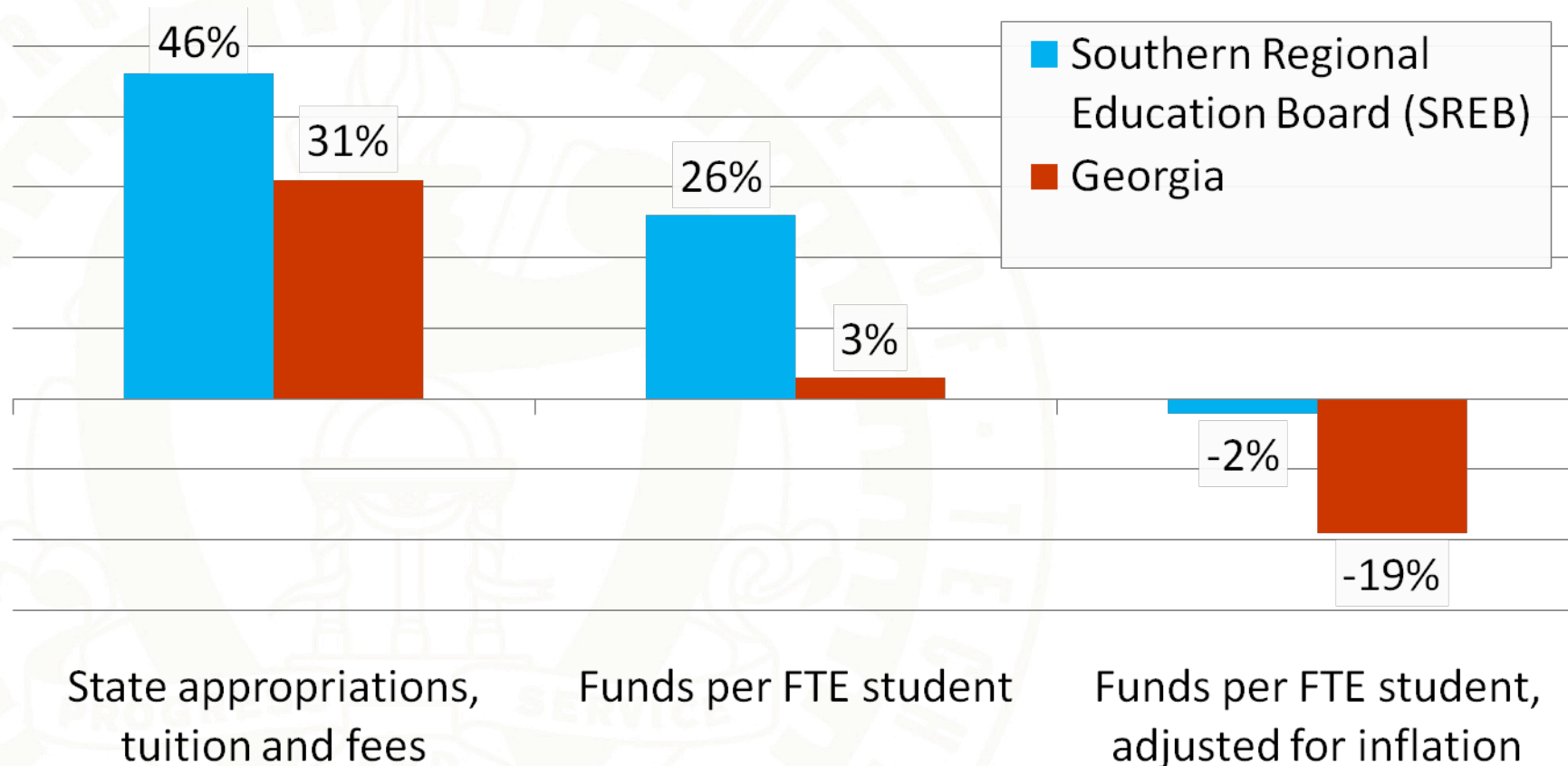
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Revenue Trends:

State Compared to GT Total



Public 4-Year College and University Funding Changes 2001 to 2007



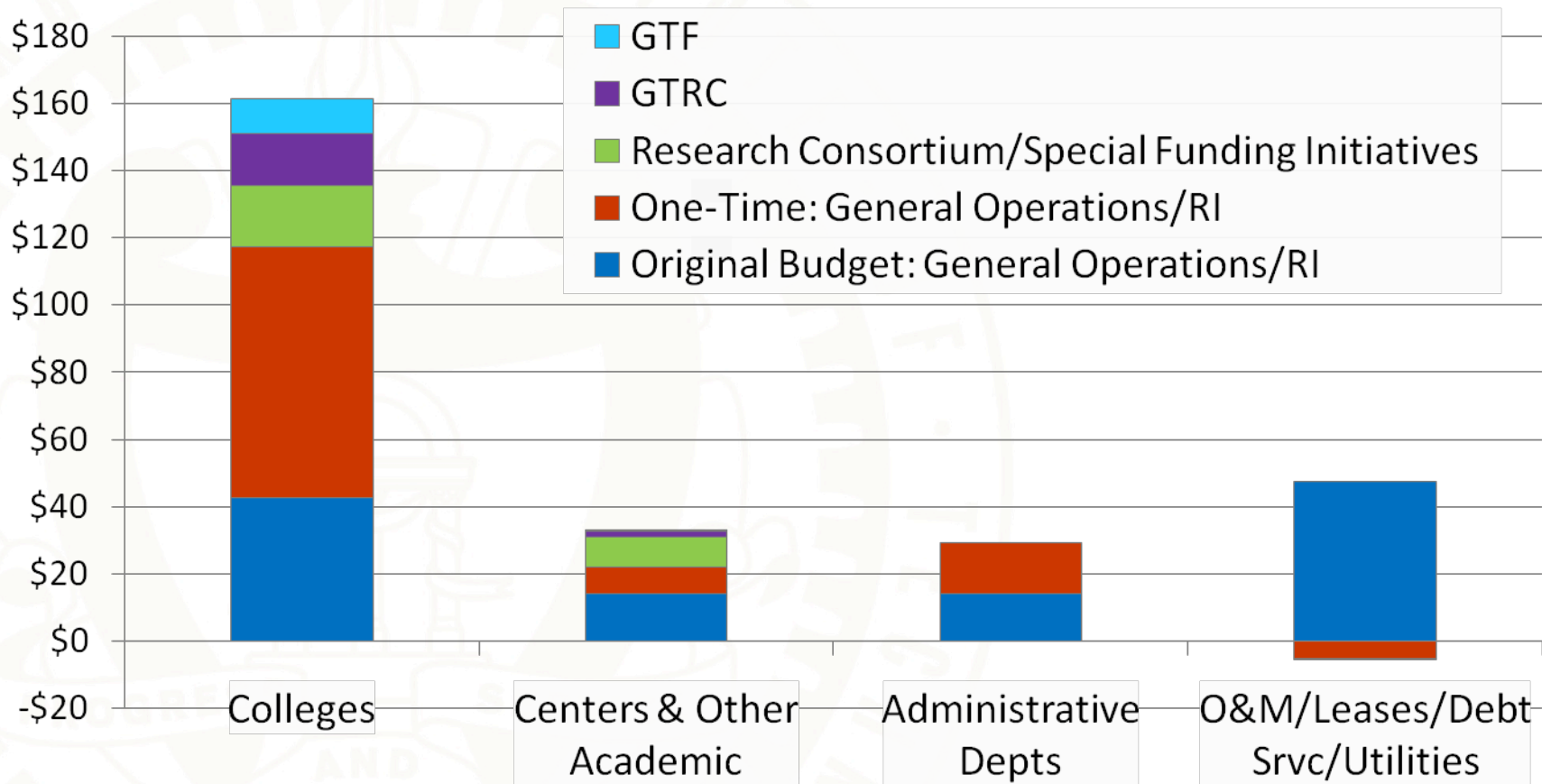
Source: SREB-State Data Exchange/Southern Regional Education Board



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New Funding Allocated FY04 to FY08

all sources



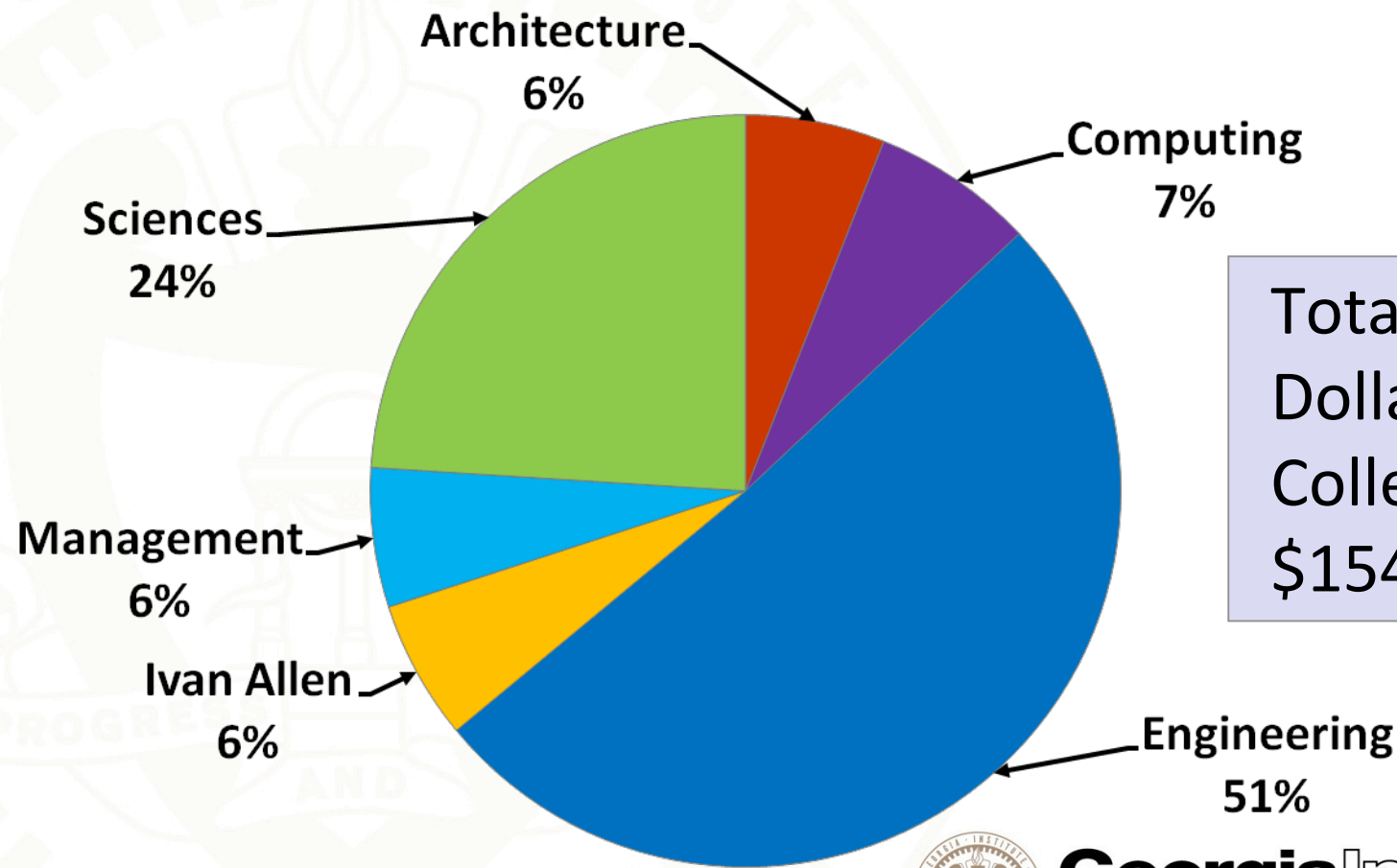
In Millions of Dollars



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Distribution of New Dollars by College FY04 to FY08

all sources

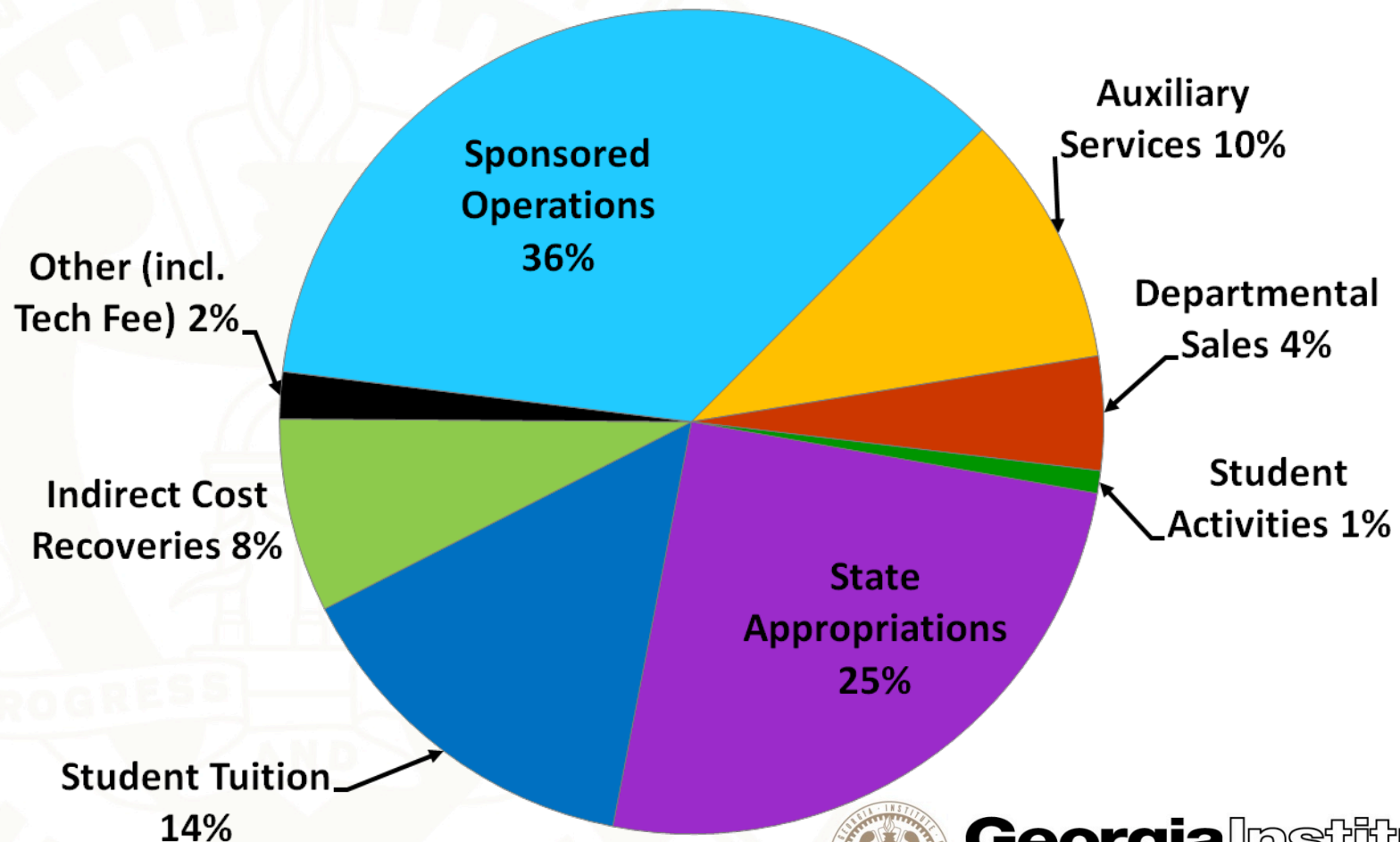


Total New Dollars to Colleges = \$154.6M



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FY09 Total Revenue Sources



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Georgia Tech Foundation Support FY09

Scholarships, Fellowships and other Student Support	\$6.5
Recruitment, Retention and other Faculty Support	\$1.5
Matching, Initiatives and Academic Program Support	\$3.1
Discretionary, Staff tuition program, Institute Support	\$1.9
Debt Service, Childcare Facilities, Real Estate	\$5.1
Development Office and Capital Campaign Support	\$5.8
TOTAL	\$23.9

In Millions of Dollars



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Georgia Tech FY09 Revenue Sources

State Appropriation	\$289	25%
Student Tuition	\$165	14%
Indirect Cost Recoveries	\$87	8%
Other (incl. Tech Fee)	\$21	2%
Sponsored Operations	\$406	36%
Auxiliary Services	\$114	10%
Departmental Sales	\$51	4%
Student Activities	\$10	1%
Institute Total	\$1,143	

**Operating
budget
= \$562M**

In Millions of Dollars



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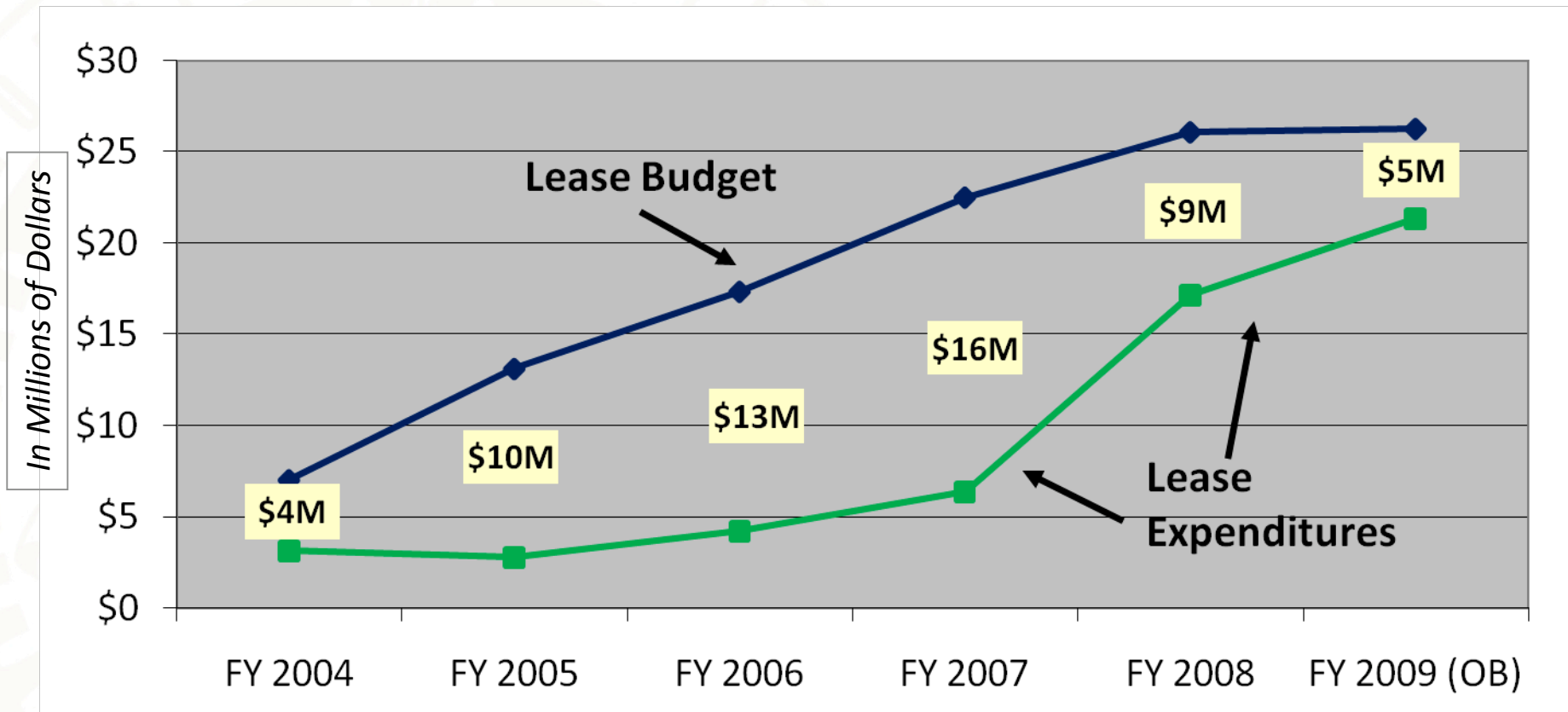
FY09 Operating Budget

State Appropriation/RI	\$263M
State Appropriation/GTRI & EII	\$26M
Student Tuition	\$165M
Indirect Cost Recoveries	\$87M
<u>Other (incl. Tech Fee)</u>	<u>\$21M</u>
TOTAL	\$562M
6% cut to State Appropriation/RI	-\$15.8M
<u>6% cut to State Appropriation/GTRI & EII</u>	<u>-\$1.6M</u>
New TOTAL	\$545M



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Centrally Funded Lease Budget & Expenditures FY04 to FY09



New for FY08 & 09:

- »MS&E (\$5m)
- »Elec Substation (\$1.5m '08 + \$.7m '09)
- »Nano (\$3.5m '08 + \$1.3m '09)



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What we know . . .

» Cuts are permanent

- FY09, at least 6.0%
- FY10, possibly more

» FY09 raises

- Funds may be retained or pulled from the USG budget
- Some options: full implementation as planned, cancellation, or deferment
- Recommended that all employees treated the same

» Health Insurance

- BOR Indemnity Plan: 99% increase in employee contribution
- PPO plan: moderate 7.5% increase – improved physician network – improved international coverage
- Kaiser HMO: expanded coverage areas



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Current Institutional Actions

- » Seek Counsel of Institute Budget and Planning Committee (IBPC)
- » Hiring and reclassification moratorium
- » Control travel, equipment, and other operational expenditures
- » Delay and defer purchases



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Questions?



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